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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/788,302	02/15/2001	Gregory Sheldon	TI11-001	1499
21567	7590	08/18/2004	EXAMINER	
WELLS ST. JOHN P.S. 601 W. FIRST AVENUE, SUITE 1300 SPOKANE, WA 99201			LASTRA, DANIEL	
			ART UNIT	PAPER NUMBER
			3622	

DATE MAILED: 08/18/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/788,302

Applicant(s)

SHELDON ET AL.

Examiner

DANIEL LASTRA

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MW

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 30 April 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-7 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-7 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

1. Claims 1-7 have been examined. Application 09/788,302 (Integrated frequency and award redemption program for installment based receivables behavior modification and customer loyalty management) has a filing date 02/15/01.

Response to Amendment

2. In response to Non-Final Office Action dated 12/31/03, the Applicant filed a request for reconsideration. No claims were added or cancel.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Shkedy (U.S. 6,260,024) in view of Early Payments and further in view of Storey (U.S. 6,578,012).

As per claim 1, Shkedy teaches:

A method for implementing an on-line incentive program for members who are making installment payments, said method comprising the steps of:

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providing an Internet webpage accessible to at least a member, via a computer system, for on-line interactive communications between said member and said Internet webpage (see column 12, lines 35-67; column 20, lines 4-45);

offering, on said Internet webpage, installment payment schedule information to said member (see column 20, lines 4-45);

Shkedy fails to teach:

determining whether said member qualifies for one or more award points based on said member making one or more timely installment payment; calculating said award points according to a preprogrammed formula if said member qualifies for said award points and issuing said award points to an account of the member if the member qualifies for said award points, wherein said award points are redeemable by the member for an award. However, the article Early payment teaches about a system that gives customers a 2% discount for paying on-time and a year-end cash rebate after 12 months of on-time payment (see paragraph 2-3). Storey teaches about an online system that permits users to manage awards points and redeem the points online (see column 2, lines 1-35). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that users would use the system described in Shkedy to set up an online installment payment plan and if the users pay their bills on-time, they would receive awards or rebates. Users would use the Storey system to manage the awards points or rebates accumulated by paying their bills online. With these features, billing companies and sellers of products would have a higher probability to receive their payments on-time, saving the expense of trying to

make customers pay, and the customers would receive an extra incentive for paying on-time. Therefore, both entities would benefit from the incentive award system.

As per claim 2, Shkedy teaches:

A method for implementing an on-line incentive program for members who are making installment payments as recited in claim 1, said method further comprising the step of offering, on said Internet webpage, electronic installment payment capability to said member (see column 12, lines 35-67; column 20, lines 4-45).

As per claim 3, Shkedy teaches:

A method for redeeming incentive awards in an on-line incentive program, said method comprising the steps of:

implementing an Internet webpage accessible, via a computer system, to at least one member of said on-line incentive program for on-line interactive communications between said member and said Internet webpage (see column 12, lines 35-67; column 20, lines 4-45);

Shkedy fails to teach:

implementing an on-line incentive program that issues award points to members who are making installment payments, wherein said award points are redeemable by said members for an award; offering, accessible from or on said Internet webpage, at least one redeemable award available to said member for exchange of said award points; and permitting said member to initiate a process to receive said at least one redeemable award for exchange of said award points issued to said member through said on-line incentive program. However, the article Early payment teaches a system

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that gives customers a 2% discount for paying on-time and after 12 months of on-time payment, a year-end cash rebate (see paragraph 2-3). Storey teaches an online system that permits users to manage awards points and redeem the points online (see column 2, lines 1-35). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that users would use the system described in Shkedy to set up an online installment payment plan and if the users pay their bills on-time, they would receive awards or rebates. Users would use the Storey system to manage the awards points or rebates accumulated by paying their bills online. With these features, billing companies and sellers of products would have a higher probability to receive their payments on-time, saving the expense of trying to make customers pay, and the customers would receive an extra incentive for paying on-time. Therefore, both entities would benefit from the incentive award system.

Claim 4 contains the same limitation as claim 1 therefore the same rejection is applied.

Claim 5 contains the same limitation as claim 2 therefore the same rejection is applied.

Claim 6 contains the same limitation as claim 3 therefore the same rejection is applied.

Claim 7 contains the same limitation as claim 1 therefore the same rejection is applied.

Response to Arguments

4. Applicant's arguments filed 04/30/04 have been fully considered but they are not persuasive. The Applicant argues that Shkedy is directed to a bilateral multi buyer-driven system, and not an incentive program for existing members with whom there is an existing installment payment relationship. The Applicant argues that there would be no reason to look to an online buyer-seller market system for an incentive program for installment payments. The Applicant further argues that the Shkedy reference would be inadequate for an incentive program for installment contracts. The Applicant further argues that the Examiner has further failed to establish a prima facie case for obviousness as it appears that an installment payment system is outside the scope and contemplation of the subject matter of the Shkedy reference system. The Applicant further argues that there is no suggestion or teaching in Shkedy to add installment payments and then to go one additional leap and provide incentives for timely payments thereof.

The Examiner answers that that In Re **Hiniker Co.**, 47 USPQ2d 1523, 1529 (Fed. Cir. 1998) the court ruled: "The name of the game is the claim. Although operational characteristics of a product may be apparent from the specification, we will not read such characteristics into the claims when they cannot be fairly connected to the structure recited in the claims". See **In re Self**, 671 F.2d 1344, 1348, 213 USPQ 1, 5 (CCPA 1982). When given their broadest reasonable interpretation, the claims on examination sweep in the prior art, and the prior art, which is Shkedy, would have directed an artisan of ordinary skill to make the rejection cited by the examiner.

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Independent claim 1 recites "providing an Internet webpage accessible to at least a member, via a computer system, for an on-line interactive communications between said member and said Internet webpage; offering, on said Internet webpage, installment payment schedule information to said member". Shkedy teaches a method applicable to any commerce situation involving buyers and sellers (see abstract) where "Although the on-line embodiment describes a protocol in which sellers receive payment immediately upon delivery of the goods. Other embodiments may be implemented in which payment is delayed until some predetermined date. Partial payments and installment payments are also supported by the system...In yet another embodiment, FPO 100 and PPO 110 describe the use of installment payments. The first payment is made when PPO 110 is awarded, followed by regular payments as specified in the conditions of FPO 100 and PPO 110. The dates in which payments are to be made are stored in payment database 285" (see column 20, lines 4-10; lines 35-41). Also, column 6, lines 4-6 teaches "The central controller 200 publishes or displays the PPO 110 in a manner accessible by potential sellers. For example, on a website on the Internet". Therefore, Shkedy teaches an on-line interactive communication system that permits members to set up installment payments by accessing a server controller Internet Webpage. Early payment teaches about a system that gives customers a 2% discount for paying on-time and a year-end cash rebate after 12 months of on-time payment (see paragraph 2-3). Storey teaches about an online system that permits users to manage awards points and redeem the points online (see column 2, lines 1-35). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that

users would use the system described in Shkedy to set up an online installment payment plan and if the users pay their bills on-time, they would receive awards or rebates. Users would use the Storey system to manage the awards points or rebates accumulated by paying their bills online. With these features, billing companies and sellers of products would have a higher probability to receive their payments on-time, saving the expense of trying to make customers pay, and the customers would receive an extra incentive for paying on-time. Therefore, both entities would benefit from the incentive award system.

Conclusion

5. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

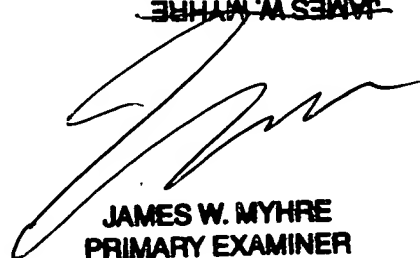
Any inquiry concerning this communication or earlier communications from the examiner should be directed to **DANIEL LASTRA** whose telephone number is 703-306-5933. The examiner can normally be reached on 9:30-6:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, ERIC W STAMBER can be reached on 703-305-8469. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

DL

Daniel Lastra
August 14, 2004

~~PRIMARY EXAMINER~~
~~JAMES W. MYHRE~~

JAMES W. MYHRE
PRIMARY EXAMINER